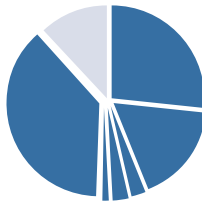


ENTERPRISE FUNDS

THESE FUNDS CONSIST OF UTILITIES, RECREATIONAL FACILITIES AND CONTRACTUAL POLICE SERVICES primarily supported by user fees.

| | | 2006 EXPENDITURES | 2007 BUDGET | AVERAGE FEE PER MONTH |
|--------------------|-------------------------|----------------------|----------------|--------------------------|
| COMMUNITY SERVICES | RECREATIONAL FACILITIES | \$4,752,972 | \$5,320,323 | \$1.15* |
| PUBLIC SAFETY | CONTRACTUAL POLICE | 491,885 | 525,000 | -- |
| PUBLIC WORKS | SOLID WASTE MANAGEMENT | 776,338 | 832,719 | 2.20** |
| | STORM WATER UTILITY | 2,343,147 | 3,861,382 | 4.53 |
| | WASTE WATER UTILITY | 9,328,488 | 9,539,713 | 11.71 |
| | WATER UTILITY | 10,075,117 | 11,357,963 | 17.55*** |
| TECHNICAL SERVICES | MOTOR VEHICLE OFFICE | 513,129 | 560,649 | -- |

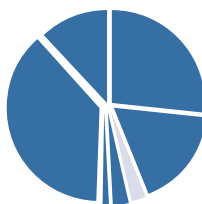
- * Amount is included in the \$8.85 that the property owner of a median-valued home pays for Community Services per month.
- ** Not including a 62-cent recycling credit residents receive per month from a county grant.
- *** Based on 7,500 gallons per month.



INTERNAL SERVICE FUNDS

THESE FUNDS FINANCE INTERDEPARTMENTAL GOODS AND SERVICES ON A COST-REIMBURSEMENT BASIS from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

| | 2006 EXPENDITURES | 2007 BUDGET |
|------------------------|----------------------|----------------|
| EQUIPMENT POOL | \$4,507,122 | \$5,352,488 |
| FACILITIES REPLACEMENT | 4,803,646 | 3,543,493 |
| INFORMATION SYSTEMS | 2,572,857 | 4,148,638 |
| INSURED BENEFITS | 6,418,855 | 7,071,953 |
| PUBLIC SAFETY RADIO | 356,525 | 342,591 |
| SUPPORT SERVICES | 634,459 | 1,149,231 |

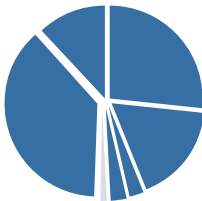


SPECIAL REVENUE FUNDS

THESE FUNDS ACCOUNT FOR REVENUES USED FOR SPECIFIC PURPOSES INCLUDING HOUSING AND community development, communications, public health initiatives and law enforcement activities.

| | | 2006 EXPENDITURES | 2007 BUDGET | FUNDING |
|-----------------------|----------------------------------|----------------------|----------------|---|
| COMMUNITY DEVELOPMENT | AIRPORT SOUTH ENVIRONMENT REVIEW | \$165,032 | \$1,036,259 | Environmental review fees |
| COMMUNITY SERVICES | COMMUNICATIONS | 951,150 | 952,642 | Franchise fee/other fund charges |
| | PUBLIC HEALTH SPECIAL REVENUE | 726,660 | 761,181 | Funded by state grants |
| PUBLIC SAFETY | POLICE SPECIAL REVENUE | 3,597,303 | 1,800,204 | Forfeited assets and grants and one-time reimbursement*/ property taxes** |

- * Used for specific police capital and operating expenses.
- ** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will be the funding source.



STRATEGIC PRIORITIES FUND

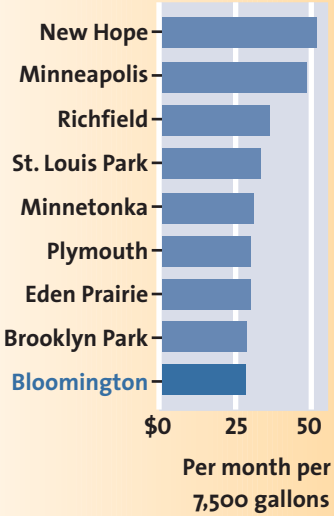
THIS FUND IS USED FOR CITY COUNCIL PRIORITIES THAT INCLUDE COMMUNITY RENEWAL AND enhancement projects. Monies budgeted for the Pavement Management Overlay Program included \$950,000 in 2006 and \$1.7 million in 2007.

| 2006 EXPENDITURES | 2007 BUDGET | NET PROPERTY TAX PER MONTH |
|----------------------|----------------|-------------------------------|
| \$1,836,290 | \$2,359,788 | \$1.17 |

2007 RESIDENTIAL WATER AND SEWER RATE SURVEY

MONTHLY COSTS TO RESIDENTS IN NINE cities for water and sewer service in 2007 range from \$28.82 per 7,500 gallons in Bloomington to \$53.15 in New Hope. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.6 gallons – another example of how the City's quality services are a good value for your dollar.



IT JUST TASTES BETTER MORE PEOPLE CHOOSE CITY WATER OVER BOTTLED

IN A BLIND TASTE TEST HELD AT THE Energy and Environmental Fair in February, City of Bloomington water was compared glass-to-glass with bottled spring water. Almost 90 percent of the participants selected City water as having a better taste. Comments included, "The tap water is fantastic here," and "I have lived in Bloomington since 1955 and I am proud of the water."

A cost comparison shows the value of Bloomington's water. One gallon of bottled spring water costs approximately 90 cents, the same as 385 gallons of City water. Bloomington citizens are indeed receiving quality water at a bargain price.

Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that "a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager - \$144,292; Karl Klein, Public Works Director - \$135,000; and Larry Lee, Director of Community Development - \$130,867.